

**EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION**

April 2, 2024

5:30 pm

Commissioners Present: Matt McRae, President; John Barofsky, Vice President; Mindy Schlossberg, John Brown, and Sonya Carlson Commissioners

Others Present: Frank Lawson, EWEB General Manager; Rod Price, Assistant General Manager; Deborah Hart, Assistant General Manager/Chief Financial Officer; Lisa Krentz, Generation Manager; Aaron Balmer, Acting Finance Manager; Karen Kelley, Chief Operations Officer; Laura Farthing, Water Engineer; Jennifer Connors, Communications & Marketing Supervisor; Brian Booth, Chief Energy Officer; Tyler Nice, Electric Operations Manager; Kelly Hoell, Climate Policy Analyst & Advisor; Adam Rue, Rates Manager; Andrew Janos, Senior Environmental Specialist; Rob Freytag, General Accounting and Treasury Supervisor; Ayde Alvarado, Moss Adams Audit Manager, and Keith Simovic, Moss Adams Engagement Reviewer/Partner.

REGULAR SESSION

Call to Order

President McRae called the meeting to order at 5:31 pm

Agenda Check [0:0:04]

President McRae noted there were no changes to the agenda.

Items from Board Members and General Manager [0:1:40]

Commissioner Carlson attended the LCOG dinner.

Commissioner Brown and Mr. Lawson gave a presentation to Kiwanis Club. Commissioner Brown also said some people had some trouble communicating with EWEB and wondered if there was an issue, he asked Mr. Lawson to check on that.

Vice President Barofsky said he attended the McKenzie Watershed Council meeting where they went through bylaws.

Correspondence [0:3:33]

General Manager Lawson summarized the topics addressed in correspondence; two items, about how EWEB approached board policy, and power trade and compliance work, were dense documents, and he would like to propose they take part of the meeting or work session midyear to investigate the power market more deeply as an electric utility.

President McRae affirmed the Board's interest in further discussion.

Commissioner Brown said there was a memo about not receiving power generation from thirteen Willamette base dams, including Cougar, Detroit, Green Peter, Lookout, and others, and

asked if there would be any direct effect on EWEB from the loss of hydropower generation from those locations.

General Manager Lawson said the direct impact would be to Bonneville, he explained those are expensive facilities and one of the issues is how that expense is allocated to hydro versus flood control and other purposes. He said Bonneville was in talks with the Corp to decide how to pay for, or decommission, those electric generation facilities. He concluded by saying the impact to EWEB is indirect, as those dams are a fairly small percentage of Bonneville's generation.

General Manager Lawson concluded by recapping the remainder of correspondence; a legislative update from the short session, and the Willamette River second source project update and capital planning.

Public Input [0:8:10]

The following testimony was provided to the EWEB Commissioners: The Board neither endorses nor opposes or is responsible for the accuracy of the content of testimony, including any links or references provided.

Kathy Ging of Eugene OR expressed opposition to mandatory smart meters, specifically stating that the smart meter system wasn't reliable or safe.

Cassandra Basulto of Springfield OR, shared comments related to the College Hill reservoir, including her desire to see the space remain safe and usable for the community.

Joshua Korn of Eugene OR expressed opposition to smart meters, specifically stating that even with the radio turned off they still cause the same health problems.

Bekki Bruckner of Eugene OR, Ward 3, expressed opposition to smart meters, specifically stating that smart meters were not safe, the lack of proper opt-out, and the WHO said that radio emissions are a class 2 carcinogen.

Dennis Hoerner, of Eugene OR, Ward 3, expressed opposition to smart meters, specifically stating that principles and ethics demand a proper opt-out for people who didn't want smart meters and EWEB must show the burden of proof that the meters were safe.

Mark Hurwit of Eugene OR, expressed opposition to smart meters, specifically that EWEB had violated their code of conduct and ethics, and people had a right to choose.

Alison Price, of Eugene OR, Ward 1, expressed opposition to smart meters, specifically stating that the smart meters had significantly impacted the environment. She also provided paper documents to the board.

Sabrina Siegle of Eugene OR, expressed opposition to smart meters, specifically stating that many customers had disabilities that were impacted by the smart meters and that employees had refused to honor their opt-out.

Alan Gormezano of Eugene OR, expressed opposition to smart meters, specifically stating he was concerned about his electricity being turned off due to his refusal to have a smart meter.

Sofia Dumitru of Eugene OR, Ward 8, expressed opposition to smart meters, specifically stating she is five feet away from eight smart meters and invested in technology to save herself from the radiation. She also provided paper documents to the board.

Janet Ayres of Eugene OR, Ward 7, expressed opposition to smart meters, specifically stating her concern about how it was becoming politicized and her desire for a proper opt-out system.

Abby Sliwinski of Eugene OR, Ward 8, expressed opposition to smart meters, specifically stating she was displeased by the change in opt-out policy and felt the analog meters are more durable and easier to read.

Alan Stein of Eugene OR, expressed opposition to smart meters, specifically stating his concern over the lack of proper opt-out policy for his home and business.

Kenda Swader of Glenwood OR, shared comments regarding the College Hill reservoir site, including that it is an integral part of their community, and she wanted it to remain a safe place for the community to recreate and enjoy.

Yaqin of Eugene OR, Ward 8, expressed opposition to smart meters, specifically stating that the health of himself and his wife had been negatively affected because of the RF emissions from his meter.

Commissioner Carlson said she appreciated everyone coming down, and that she does listen, even if she disagrees. She briefly explained what she knows about the smart meters.

General Manager Lawson said the policy that is guiding them was developed over 20 years with research, and public forums. He said the devices were safe and the board had taken a lot of time over the years to choose the assets. He said this board had spent many hours creating policy.

Commissioner Brown thanked Kenda for coming out, he appreciated her passion and asked her to stick around for the presentation on the College Hill reservoir.

BOARD ACTION ITEMS [1:01:57]

Approval of Consent Calendar – A (Minutes and Routine Contracts)

1. a. March 5, 2024 Regular Session Minutes
- b. March 19, 2024 Executive Session Minutes

MOTION: Vice President Barofsky moved to approved Consent Calendar A.

The motion passed unanimously 5:0

Approval of Consent Calendar – B (Nonroutine Contracts and Other Consent Items)

CONTRACTS

2. **Geosyntec Consultants, Inc.** – for a contract and additional funds for Mercury Total Maximum Daily Load (Hg TMDL) Implementation Support. \$358,000 based on Direct Negotiation (original amount not previously approved by Board is \$100,000, resulting cumulative total \$358,000 [Original \$100,000 plus an increase of \$258,000]).
3. **Wildish Building Company** - for a Construction Task Order (CTO) for Habitat Enhancements in the Carmen-Smith Spawning Channel. \$315,000 based on Construction Manager/General Contractor (CM/GC) Guaranteed Maximum Price.
4. **Wildish Building Company** - for a Construction Task Order (CTO) for Habitat Installation in the Carmen-Smith Spawning Channel, Trail Bridge Reservoir and Smith Reservoir. \$823,000 based on Construction Manager/General Contractor (CM/GC) Guaranteed Maximum Price.

Commissioner Brown removed contracts 3 and 4 for Wildish Building Company.

MOTION: Vice President Barosky moved to approve Consent Calendar B, minus 3 and 4.

The Motion passed unanimously 5:0

Items removed from Consent Calendar [1:02:57]

Commissioner Brown asked how much more money would be spent on the project.

Ms. Krentz explained these projects had been planned and budgeted for a long time. She said the ultimate timing of permanent fish passage was contingent on dam safety issues. She said the fish passage and habitat projects were required by the license. She added that despite not having permanent fish passage, fish were being moved from both the spawning channel and from below Trail Bridge dam.

Commissioner Brown asked how many fish had been moved.

Ms. Krentz said no fish had been moved last year as they could only run the trap and haul for eight days, because they had to evacuate due to the Lookout fire. She said they hoped to move more fish this year and intend to run the trap and haul during the full migration season.

Commissioner Brown asked if the cost would be ongoing.

Ms. Krentz explained their license required installation of habitat and monitoring. She said it is likely modifications will be needed at some point, and they felt good about the design, noting it was intended to mitigate for habitat loss over the life of the 40-year license adding that maintenance would be needed during that time.

Commissioner Barofsky noted Ms. Krentz said it was planned and budgeted for, but he wanted to know how much more was required.

General Manager Lawson explained investments would be made over the term of the 40-year license.

Ms. Krentz said the latest estimate of the total cost was \$174 million and only about half had been spent. She said the \$174 million included a trap and haul facility and she was not under the assumption they needed a fish ladder.

MOTION: Commissioner Brown moved to approve contracts 3 and 4.

The motion passed unanimously 5:0

GENERAL BUSINESS ITEMS

Prior Year-End (2023) Audited Financial Statements and Management Letter [1:11:35]

Keith Simovic and Ayde Alvarado of Moss Adams presented the Audited Financial Statements via PowerPoint and answered questions from the board.

Commissioner Brown referred to the backgrounder page 60, he asked about the standing debt and the increase in 2029.

Mr. Balmer said the schedule was showing the first five years, single year, and then it is combining five years at time.

Commissioner Brown wanted to know what the threshold for debt was. He said it was alarming for rate increases.

Ms. Hart said in the 10-year plan the debt services were included, she explained financing is typically for 30 years as assets are long-lived and added that debt service coverage and bond covenants were monitored.

General Manager's Annual Performance Evaluation and Merit Discussion for prior year [1:31:01]

President McRae said they had a session two weeks ago and provided feedback to Mr. Lawson. He said it was productive and helpful.

Vice President Barofsky inquired about the recognition pay budget for MAPT employees.

Commissioner Brown clarified it was 1.96% and if they were going to be consistent for the General Manager that was a \$7,500 dollar investment.

Commissioner Schlossberg explained there was a process for the General Manager's review; they received feedback from the executive team on how Mr. Lawson was doing, and he discussed areas of focus. She noted it was positive.

General Manager Lawson said it was a good conversation and a combination of what was going well and he specifically got some feedback related to how issues are presented and appear to

the public. He added that as representatives the board does not like surprises, and they would like more rather than less communication around areas that may appear in the public eye. Commissioner Barofsky said the board set the policies and Mr. Lawson was charged with implementing those policies, and he believes Mr. Lawson and his staff are doing a good job. He believed a performance bonus was in order and a 2% one-time performance reward seemed logical.

MOTION: Commissioner Barofsky moved to give Mr. Lawson a one-time bonus to his salary.

The motion passed unanimously 5:0.

College Hill 607 Reservoir Replacement Update [1:42:58]

Karen Kelley Chief Operations Officer; Laura Farthing, Sr. Water Engineer; Jennifer Connors, Communications & Marketing Supervisor provided the update on the College Hill Reservoir project via PowerPoint and answered questions from the board.

Commissioner Schlossberg wondered about the public outreach and the timeline.

Ms. Connors said they were already collecting public comment on landscaping and the community was already engaging. She explained there are benefits to collecting the information over time as public ideas of use may change.

Ms. Farthing said they must get through a certain part of the design before they could do renderings and take input on what will be available.

Commissioner Schlossberg asked if the parks department was participating.

Engineer Farthing said they are meeting with the parks department soon.

Commissioner Barofsky asked if there was investigation into low carbon concrete.

Engineer Farthing said the 'green' concrete hadn't been approved for drinking water yet.

President McRae congratulated the team on completing the E. 40th project. He worried about tree removal and the public perception; he enjoyed seeing the map of the project site with each individual tree.

Commissioner Carlson asked about the Santa Clara reservoir site being under review.

Ms. Kelley said there was a contractor doing an evaluation. She explained how this site was different and addressed questions from the commissioners.

Climate Guidebook (Includes Annual Greenhouse Gas Inventory/Report for Prior Year [Board Policy SD15]) [2:35:01]

Kelly Hoell, Climate Policy Analyst & Advisor was joined by Adam Rue, Rates Manager, and Andrew Janos, Environmental Specialist to present on the climate guidebook via PowerPoint and answered questions from the board.

Commissioner Schlossberg asked about the slide on electricity in owned buildings, and the spike in 2019 due to a poor water year.

Ms. Hoell said the availability of water decreased the hydro power available.

Commissioner Carlson was curious whether impacts of the ice storms also played into that, or if it was just about the water impact.

Ms. Hoell said reporting depended on megawatt hours that are generated from different resources and how much of that serves the load. She said emission factors come from EWEB and BPA market purchases, so storms would play into the numbers, but they were short lived.

Commissioner Carlson said there was a section on page 62 where there was a spike in refrigerants. She asked why it dropped off.

Ms. Hoell said leaks occurred in small quantities over time and were reflected in the report when a recharge was needed, and emissions were calculated on what was lost.

General Manager Lawson said these spikes were when the SF6 were recharged. He said some of their gas handling equipment and protocols in 2017-2021 had changed.

Commissioner Carlson asked about the increase in solar installations.

General Manager Lawson said he would need to investigate the specifics on their solar program. Regarding Commissioner Carlson's question about storm years, he noted there was an increase in the fleet and vehicle use.

Commissioner Barofsky asked when they were going to talk about scope 3 emissions and EWEB's impact on it.

Ms. Hoell said they are looking at a couple of areas already including their dynamic workforce and commuting, and generally looking at scope 3 there were shared responsibilities for those emissions. She looked at personal vehicle travel, and construction emissions for major projects. She said a task force is looking into green concrete.

Commissioner Barofsky referred to the procurement process and bid solicitations, and asked at some point would they include criteria that asks proposers what actions they are taking to reduce their emissions.

Commissioner Brown said that procurements were contributing to emissions. He wanted to know when it was more cost effective to buy a local product that costs more to avoid purchasing from a source that violates the climate, and where that threshold was.

General Manager Lawson said there were steps involved in the procurement process including whether the product meets our performance specifications and this could limit sources. Because the utility assets must last for decades, performance is important. He said some things are by price and don't go to bid, but the things that do can meet criteria.

President McRae was also interested in seeing a record of scope 3 emissions so they could get an idea of the environmental cost. He said there were ways to incentivize contractors to reduce emissions.

Ms. Hoell said it was something they were working to resolve in 2024.

President McRae said the scope 1 and 2 targets excluded emissions from EWEB owned generation.

General Manager Lawson said yes, the original goals were around what was being consumed, not what was being generated.

President McRae wanted to know the sense of scale if they were stacking those generation emissions with scope 1 and 2.

Ms. Hoell explained she didn't want to project on that right now, their resources were very clean and renewable but were reported in very different units. She hoped to bring it all together in another report.

General Manager Lawson said depending on the outcome, he may come back to the board with some recommended changes for board policy.

President McRae wanted a report on the scope as he thought it would be helpful.

Ice Storm After Action Report [3:21:38]

Karen Kelley, Chief Operations Officer, Tyler Nice, Electric Operations Manager, and Brian Booth, Chief Energy Resources Officer presented on the after-action report for the January ice storm via PowerPoint and answered questions from the board.

Commissioner Schlossberg said it was one thing for them to be prepared, but wanted to know how they could prepare customers.

Mr. Nice replied they could distribute water containers, promote the generator programs, and explain how people could prepare their own house.

Commissioner Schlossberg said she was contacted by a supermarket that said they didn't have the right information and couldn't get in touch with EWEB. She said medium-sized businesses who performed crucial function also needed help. She asked about the water and said she felt people weren't prepared for losing water and they needed to tout their pledge to prepare system.

President McRae said he was pleased with the response and that there would likely be a President declaration for this event and they might be able to get some money back.

Vice President Barofsky said they did what they could do and learned more for next time.

Mr. Booth gave a presentation on the region's electrical loads during the storm and the imports and exports of power generation and answered questions from the board.

Commissioner Carlson asked about the \$4.4 million replacement cost of generation outages and if there would be a reimbursement for cost.

Mr. Lawson explained that market losses are not generally reimbursed.

Commissioner Carlson asked what the general inventory of load was for critical infrastructure.

General Manager Lawson explained there was a priority scale for generation load. He said being able to prioritize and measure loads would be aided by smart meters.

Mr. Nice said they had done a series of studies throughout the last few years, and they looked at the top 50 loads for generation.

Commissioner Carlson asked where the demand and response levels were.

General Manager Lawson said they didn't have formal protocols yet and explained the voluntary measures. He said he hoped to work with the board on this.

Vice President Barofsky wanted to work on communication with customers upriver.

Mr. Price said they had people working on improving communications upriver.

Future Board Agendas [4:06:29]

General Manager Lawson said the agenda was overbooked for the May board meeting. He suggested moving the annual strategic plan discussion from May to June, and they would need to find a time to schedule the deep dive into electricity planning.

Board Wrap Up [4:07:31]

None

Adjourn

Meeting adjourned at 9:38 pm

Recorded by Lydia Harvey, LCOG

Assistant Secretary

President